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JOHN T. FEY, Clerk

# Supreme Court of the United States

**October Term, 1956**

**No. 537**

BILTMORE MUSIC CORPORATION and HERBERT BROWNELL, JR., ATTORNEY GENERAL OF THE UNITED STATES, AS SUCCESSOR TO THE ALIEN PROPERTY CUSTODIAN,

*Appellants,*

BILTMORE MUSIC CORPORATION,

*Petitioner,*

v.

ROBERT W. KITTINGER,

*Appellee-Respondent.*

## PETITION FOR WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE NINTH CIRCUIT

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*To the Honorable, the Chief Justice and the Associate Justices of the Supreme Court of the United States:*

Appellant-petitioner Biltmore Music Corporation, respectfully petitions this Court for a Writ of Certiorari to the United States Court of Appeals for the Ninth Circuit to review the decision of that Court in the above entitled cause.

### The Decisions Below

This cause was tried under an agreed statement of facts in the United States District Court for the Southern District of California, Central Division, before the Hon. William M. Byrne, United States District Judge. Judge

Byrne did not write an opinion. His findings of fact and conclusions of law and the judgment of the District Court are set forth in full on pages 23-24 of Appendix A hereto (R. 84-85).*

The District Court judgment for the respondent was modified, and confirmed as modified, by the United States Court of Appeals for the Ninth Circuit. The opinion of the Court of Appeals is reported ** at F. 2d and appears on pages 25 to 36 of Appendix B herein.

## Jurisdiction

This is an action seeking injunctive relief and money damages for mechanical infringement of two statutory copyrights (R. 3). Judgment was entered in the District Court on October 15, 1954 (R. 86), dismissing the complaint as well as a counterclaim asserted by defendant, as to which no appeal was taken to the Circuit Court of Appeals.

Appellants appealed to the Circuit Court of Appeals for the Ninth Circuit, which Court on August 3, 1956 modified the judgment below and, as modified, confirmed same.

Jurisdiction to review the aforesaid judgment is conferred by the United States Code, Title 28, Sec. 1254.

## Questions Presented

I. Does Title 17, U. S. C., Sec. 1(e), popularly known as the "Compulsory License Act," apply outside the United States of America, so as to require a German copyright owner who licenses a German recording of a musical copyright for release and sale in Germany only, to file a Notice of Use with the United States Register of Copyrights?

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* "R" denotes reference to the Transcript of Record.

** Not reported at time petition printed.

II. Does the failure to file a Notice of Use of a German recording forever preclude the German copyright owner from exercising any rights under Sec. 1(e), where he, or someone deriving rights from him, subsequently files a Notice of Use at the time the first mechanical use is authorized by the copyright owner in the United States?

III. Do the release and sale of a mechanical recording of a new arrangement of a copyrighted composition, which release and sale were without the authorization of the copyright owner, constitute a publication which relegates the new arrangement to the public domain?

IV. If the new recorded arrangement of the copyrighted work is relegated to the public domain by the release and sale of the recording thereof without filing a separate registration of copyright, are all mechanical rights under Sec. 1(e) also forfeited with respect to the basic copyrighted work?

V. Does a contract (R. 51, Appendix C, pp. 37 to 39) for the physical services of a musician also constitute a license to the recording company to use the musician's arrangement of the copyrighted work recorded thereunder, as against the rights of the true copyright owner, where the arranger is a stranger to the copyright owner?

## Statement of the Case

In 1935 two German nationals wrote a song entitled "Du Kannst Nicht Treu Sein" (hereinafter sometimes referred to as the "German song") and assigned their interests in it to a German publisher. The publisher duly registered the work in the United States under the United States Copyright Act. The Publisher then licensed a German recording company to manufacture and sell phonograph recordings of his song in Germany.

Shortly thereafter, an American recording company began to sell copies of this same German recording in the United States. This use and sale were *unauthorized*.

In 1947 the respondent, through a corporation managed and controlled by him, recorded an organ arrangement of the German song, which arrangement was composed by the organist on the recording. The agreement between the organist and the respondent (a standard American Federation of Musicians form of contract) did not preclude the organist from recording the same work for anyone else.

The organist then was asked to record the same arrangement for another recording company and did so shortly before January 1, 1948.

The organist then assigned whatever rights he had in his arrangement of the German song to J. F. Bard, Inc. (hereinafter referred to as "Bard").

On February 24, 1948, the United States copyright of the German song was vested by the Alien Property Custodian and title thereto was transferred to the Attorney General of the United States.

On March 2, 1948, Bard obtained a license from the Attorney General. The license basically contained the following terms: Bard was given (a) the right to publish the organ arrangement of the German work with new lyrics; (b) the right to make mechanical recordings of the new version; (c) the right to sub-license recordings of the new version; (d) the right to assign the whole license to petitioner Biltmore Music Corporation (hereinafter referred to as "Biltmore").

On March 5, 1948, Bard assigned the license to Biltmore and Biltmore, on March 9, 1948, filed a Notice of Use under the title "You Can't Be True Dear." A few days later it obtained a published copyright of the organ arrangement of the German song with new lyrics written to it.

Biltmore then licensed many recording companies and exploited the song with substantial success.

After obtaining its copyright and filing its Notice of Use, Biltmore notified the respondent that his phonograph recording was an infringement of a copyrighted work and that he should request a license. Respondent refused to do so and further refused to pay any mechanical statutory royalties to Biltmore.

An action was brought by petitioners for a dual infringement. The Attorney General as the basic copyright owner sought damages on the ground that respondent had recorded the copyrighted German song prior to the authorized manufacture or sale of any recording of the work in the United States. Therefore, the Attorney General was entitled to royalty damages computed from the time respondent first sold records of the German song until the Attorney General had granted the publishing and licensing rights in the new version to Biltmore, on March 2, 1948.

Biltmore sought royalty damages for the infringement of its copyright with respect to those of respondent's phonograph records manufactured or sold after Biltmore acquired its rights.

The District Court held:

(a) That the German copyright owner and/or the Alien Property Custodian forfeited mechanical rights in the United States Copyright of the German song because no Notice of Use was filed at the time the German recording was made for release and sale in German; and

(b) That the organist by his agreement with respondent had licensed the use of his arrangement of the German song to the respondent; and

(c) That the general sale of the respondent's recording of the arrangement of the German song was a publication

of the arrangement and, as such, relegated the arrangement to the public domain; and

(d) That the Biltmore copyright comprising the organ arrangement and the new lyrics was invalid; and

(e) That the failure of the organist to file a Notice of Use on his new arrangement of the German work precluded Biltmore from any recovery against the respondent for his mechanical reproduction of the new arrangement.

The Court of Appeals affirmed the holding of the District Court in all respects, except that the Court of Appeals struck that part of the judgment and conclusion of law which held that the sale of the recording by the respondent prior to Biltmore's securing of its copyright invalidated the Biltmore copyright. The Court of Appeals modified as aforesaid solely on the ground, however, that the determination of the validity of the Biltmore copyright was not involved in the issues before the Court.

The decision is contrary to established principles of law and to beliefs long and widely held in the music industry. The decision, moreover, has at least two further implications which are disastrous: (a) that Title 17, U. S. C., Sec. 1(e), grants to copyright owners something more than control of the sale and manufacture of phonograph records (i.e., copyright), and (b) that any unauthorized stranger who elects to record an arrangement of a copyright has the power to destroy mechanical rights in that copyright by the simple act of placing on sale a substantial number the infringing phonograph records.

## The Agreed Statement of Facts

Having been tried on an agreed statement of facts (R. 39), the case presented no issue of fact. The facts stipulated by the parties included the following:

Prior to 1935 two German nationals composed the lyrics and music of a musical composition entitled "Du Kannst Nicht Treu Sein" (the basic work), which was duly registered for copyright in this country and received registration No. E. For. 39841 (R. 40). The Alien Property Custodian vested the ownership of this copyright on February 24, 1948, pursuant to the Trading With the Enemy Act, and the petitioner Attorney General succeeded to his interest by operation of law (R. 44). Validity of the copyright and ownership by the Attorney General are not contested.

Prior to August 20, 1947 one Ken Griffin composed a new arrangement of the basic work without authority of the copyright proprietor (R. 42-43). On that day respondent employed Griffin under a Labor Union form contract (R. 42) (Appendix C, pp. 37 to 39) to play eight solo organ compositions, one of which was his new arrangement of the basic work (R. 41-42).

In October 1947 respondent sold phonograph records of the new arrangement under the translated title "You Can't Be True" and sales were made until March 14, 1952. Neither Griffin nor respondent had the permission of the copyright proprietor of the basic work to manufacture or sell records of the new arrangement (R. 42-43). Griffin later performed his arrangement of the recording for a competitor of the respondent (R. 43). Subsequently, Griffin assigned his interest in the arrangement to Bard on February 17, 1948 (R. 44).

It was not until March 2, 1948 that any right or copyright relating to recordings in the United States was granted by the copyright proprietor of the basic work. On

that date Bard obtained from the then proprietor, the Alien Property Custodian, a license, No. E1277, granting Bard the right to publish sheet music and to sell phonograph records of the composition, limited, however, to Griffin's arrangement, with English lyrics composed by Dave Dreyer and one J. F. Bard (R. 45, 61, 17) (Appendix D, pp. 40 to 45).

On March 5, 1948 Bard assigned its rights acquired from the Attorney General to Biltmore (R. 45) and J. F. Bard, personally, assigned to Biltmore the rights he had acquired by virtue of Griffin's assignment of the new arrangement to him (R. 45). On March 9, 1948, Biltmore filed a Notice of Use pursuant to Sec. 1(e) of the Copyright Law (R. 46) and prior to March 15, 1948, it published sheet music copies of the new work consisting of the new arrangement and the new lyric (R. 46). The copies bore the required copyright notice, and on the deposit on March 15, 1948 of two copies in the United States Copyright Office, Biltmore was granted Copyright Registration No. E. Pub. 24797 on the new work. The copyright certificate is dated April 9, 1948 (R. 46).

On March 16, 1948, respondent was notified to cease manufacture of his phonograph record "You Can't Be True" on the ground of infringement of copyright (R. 46). Respondent refused; he has not paid to Bard, Biltmore or anyone else license fees or royalties in connection with his records of the Griffin arrangement (R. 47). Most of the records sold by respondent were sold after his receipt of written notice to desist and during that period Biltmore publicized and exploited its new work at substantial expense (R. 47, 42).

## Statutes Involved

**Title 17, U. S. C., Sec. 1(e)**

Any person entitled thereto, upon complying with the provisions of this title, shall have the exclusive right:

(a) To print, reprint, publish, copy, and vend the copyrighted work;

(b) To translate the copyrighted work into other languages or dialects, or make any other version thereof, if it be a literary work; to dramatize it if it be a non-dramatic work; to convert it into a novel or other non-dramatic work if it be a drama; to arrange or adapt it if it be a musical work; to complete, execute, and finish it if it be a model or design for a work of art;

(c) To deliver or authorize the delivery of the copyrighted work in public for profit if it be a lecture, sermon, address, or similar production;

(d) To perform or represent the copyrighted work publicly if it be a drama or, if it be a dramatic work and not reproduced in copies for sale, to vend any manuscript or any record whatsoever thereof; to make or to procure the making of any transcription or record thereof by or from which, in whole or in part, it may in any manner or by any method be exhibited, performed, represented, produced, or reproduced; and to exhibit, perform, represent, produce or reproduce it in any manner or by any method whatsoever;

(e) To perform the copyrighted work publicly for profit if it be a musical composition; and for the purpose of public performance for profit, and for the purposes set forth in subsection (a) hereof, to make any arrangement or setting of it or of the melody of it in any system of notation or any form of record in which the thought of an author may be recorded and from which it may be read or reproduced: Provided, that the provisions of this title, so far

as they secure copyright controlling the parts of instruments serving to reproduce mechanically the musical work, shall include only compositions published and copyrighted after July 1, 1909, and shall not include the works of a foreign author or composer unless the foreign state or nation of which such author or composer is a citizen or subject grants, either by treaty, convention, agreement, or law, to citizens of the United States similar rights. *And as a condition of extending the copyright control to such mechanical reproductions, that whenever the owner of a musical copyright has used or permitted or knowingly acquiesced in the use of the copyrighted work upon the parts of instruments serving to reproduce mechanically the musical work, any other person may make similar use of the copyrighted work* upon the payment to the copyright proprietor of a royalty of 2 cents on each such part manufactured, to be paid by the manufacturer thereof; and the copyright proprietor may require, and if so the manufacturer shall furnish, a report under oath on the 20th day of each month on the number of parts of instruments manufactured during the previous month serving to reproduce mechanically said musical work, and royalties shall be due on the parts manufactured during any month upon the 20th of the next succeeding month. The payment of the royalty provided for by this section shall free the articles or devices for which such royalty has been paid from further contribution to the copyright except in case of public performance for profit. *It shall be the duty of the copyright owner, if he uses the musical composition himself for the manufacture of parts of instruments serving to reproduce mechanically the musical work, or licenses others to do so, to file notice thereof, accompanied by a recording fee, in the copyright office,* and any failure to file such notice shall be a complete defense to any suit, action, or proceeding for any infringement of such copyright.

In case of the failure of such manufacturer to pay to the copyright proprietor within thirty days after demand in writing the full sum of royalties due at said rate at the date of such demand the court may award taxable costs to the plaintiff and a reasonable counsel fee, and the court may, in its discretion, enter judgment therein for any sum in addition over the amount found to be due as royalty in accordance with the terms of this title, not exceeding three times such amount.

**Title 17, U. S. C., Sec. 8**

Authors or proprietors, entitled; aliens—The author or proprietor of any work made the subject of copyright by this title, or his executors, administrators, or assigns, shall have copyright for such work under the conditions and for the terms specified in this title: Provided, however, That the copyright secured by this title shall extend to the work of an author or proprietor who is a citizen or subject of a foreign State or nation only:

(a) When an alien author or proprietor shall be domiciled within the United States at the time of the first publication of his work; or

(b) When the foreign State or nation of which such author or proprietor is a citizen or subject grants, either by treaty, convention, agreement, or law, to citizens of the United States the benefit of copyright on substantially the same basis as to its own citizens, or copyright protection, substantially equal to the protection secured to such foreign author under this title or by treaty; or when such foreign State or nation is a party to an international agreement which provides for reciprocity in the granting of copyright, by the terms of which agreement the United States may, at its pleasure, become a party thereto.

The existence of the reciprocal conditions aforesaid shall be determined by the President of the United States,

by proclamation made from time to time, as the purposes of this title may require: Provided, That whenever the President shall find that the authors, copyright owners, or proprietors of works first produced or published abroad and subject to copyright or to renewal of copyright under the laws of the United States, including works subject to ad interim copyright, are or may have been temporarily unable to comply with the conditions and formalities prescribed with respect to such works by the copyright laws of the United States, because of the disruption or suspension of facilities essential for such compliance, he may by proclamation grant such extension of time as he may deem appropriate for the fulfillment of such conditions or formalities by authors, copyright owners, or proprietors who are citizens of the United States or who are nationals of countries which accord substantially equal treatment in this respect to authors, copyright owners, or proprietors who are citizens of the United States: Provided further, That no liability shall attach under this title for lawful uses made or acts done prior to the effective date of such proclamation in connection with such works, or in respect to the continuance for one year subsequent to such date of any business undertaking or enterprise lawfully undertaken prior to such date involving expenditure or contractual obligation in connection with the exploitation, production, reproduction, circulation, or performance of any such work.

## Reasons Relied on for Granting of Writ

**(1) The Court of Appeals has decided important questions of Federal law which have not been, but should be, settled by this Court.**

(a) Under the decision below a foreign copyright proprietor who authorizes the manufacture and sale of a mechanical recording in a foreign state, must file a Notice of Use in Washington, D. C. or forfeit his mechanical rights under Title 17, U. S. C., Sec. 1(e) (Appendix B,

p. 34) (R. 85). That decision violates treaties and Presidential proclamations thereon made between the United States and foreign countries with respect to the rights granted under Sec. 1(e) of the Copyright Act. Many Sec. 1(e) Presidential proclamations expressly provide that *foreign works not previously reproduced mechanically in the United States* will be protected mechanically in the United States from the date of the proclamation forward.

An example of this is the Presidential proclamation with respect to Denmark, 41 Stat. 1810, dated December 9, 1920. Paragraph "2" of the proclamation says:

> "That in the case of musical works to which this proclamation relates, and provided that no contrivances, including records, perforated rolls and other devices by means of which the work may be mechanically performed, have been lawfully made or placed on sale within the United States before the date of this proclamation, copyright shall include the special benefit of Section 1(e) of the Copyright Act of March 4, 1909, namely, 'copyright controlling the parts of instruments serving to reproduce mechanically the musical work.'"

See also the following proclamations:

Switzerland, 43 Stat. 1976, November 22, 1924;
Austria, 44 Stat. 2571, March 11, 1925;
Chile, 44 Stat. 2590, November 18, 1925;
Poland, 44 Stat. 2634, February 14, 1927;
Czechoslovakia, 45 Stat. 2906, April 27, 1927;
Roumania, 45 Stat. 2949, May 14, 1928;
Finland, 45 Stat. 2980, December 15, 1928;
Irish Free State, 46 Stat. 3005, September 28, 1929;
Greece, 47 Stat. 2502, February 23, 1932;
Palestine, 48 Stat. 1713, September 29, 1933;
Argentina, 49 Stat. 3413, August 23, 1934.

The cited proclamations show that where the United States has had copyright relations with a foreign country under all sections of the Act except Sec. 1(e) and Sec. 1(e) relations are proclaimed separately, the works protected under Sec. 1(e) include all the foreign works without regard to what has occurred in the foreign country mechanically, so long as there has been no previously authorized release of a recording in the United States.

The proclamation as to reciprocal mechanical relations with Germany was the first one made after the Act of 1909. The opinion of the Attorney General (Vol. 29, pp. 64 through 72 (1911)), with respect to Germany, was that the rights of the foreign copyright owner under Sec. 1(e) would be retroactive to the date that there actually existed conditions of reciprocity with respect to mechanical rights between the foreign country and the United States, although it was suggested by the Attorney General that the proclamation should set forth the effective date of reciprocity to avoid any controversy as to the works included.

Implicit in all the aforementioned proclamations is the understanding that the manufacture and sale of recordings of the proclaimed works in foreign countries would not forfeit rights under Sec. 1(e) in the United States.[1]

Foreign authors and composers have of course acted in accordance with this understanding. The foreign gov-

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[1] For the British view that a foreign license to record would not set in motion the domestic compulsory license law, see Copinger and Skone-James, Law of Copyright (8th Ed.), p. 230, which says:

> "It is thought that to comply with this provision contrivances must previously have been made within some part of His Majesty's Dominions to which the Act applies; and that the fact that contrivances had been made in a foreign country with the acquiescence of the owner of the copyright would not afford a ground for compulsory license here. It would seem that this Act can only intend to avoid exclusive licenses of the right conferred by it and cannot be concerned with rights granted by foreign legislatures."

ernments in their treaties with the United States with respect to mechanical rights have also acted in accordance therewith. Therefore the question here involves international copyright treaties as well as all foreign works mechanically reproduced in this country. There are a great number of foreign works published and recorded in this country which, as a matter of record and judicial notice, comprise the bulwark of source material for American musical copyrights.

Ordinarily a foreign work arrives and is exploited in this country mechanically only after it has been successful in the country of origin.[1] This can only mean that the work has been exploited in the country of origin by means of sheet music, live performances and mechanical reproductions.

The breadth and extent of the forfeiture involved in the holding below are manifestly enormous.

**(2) The circuits are in conflict on the decision here. The Court of Appeals for the Ninth Circuit in its decision below said (Appendix B, p. 34):**

> "Since the owners of the United States copyright on the composition 'Du Kannst Nicht Treu Sein' did not comply with the provisions of 17 U. S. C. A. Sec. 1(e), which constitute a condition precedent to collecting statutory royalties for mechanical reproduction of the composition, appellant cannot recover and the judgment must be affirmed."

The owner of the United States copyright in "Du Kannst Nicht Treu Sein" was the Alien Property Cus-

[1] The question of effect of mechanical license in one country on the compulsory license provision in a second country was decided in *Albert* v. *Hoffnung & Co.*, 22 N. S. W., Reps. 75, where the court held that the mechanical rights in each country are treated separately with reference to national compulsory license provisions.

todian, who succeeded, by vesting order, to the rights of Gerhard Ebeler Verlag Co., the German copyright owner. Therefore, the holding in the Ninth Circuit is that a German copyright owner who licenses a German recording for release in Germany must nevertheless file a Notice of Use in Washington, D. C., under Title 17, U. S. C., Sec. 1(e), in lieu of which he forfeits his rights under Sec. 1(e).

This is in conflict with the holdings of the Second Circuit Court of Appeals.

In *Capitol Records, Inc.* v. *Mercury Record Corp.* (1952, 221 F. 2d 57 (1955)), the Court of Appeals for the Second Circuit said, at p. 662:

> "Then too the rule that we are adopting is in harmony with the well-settled law that a copyright has no extra-territorial effect. See *American Code Co.* v. *Bensinger,* 2 Cir., 282 Fed. 829, 833. Until we have a uniform international law of literary property, it will be much more convenient to determine the effect of each act by the law of the place where the right of property is sought to be exercised."

This same Court in *Heim* v. *Universal Pictures Co., Inc.,* 154 Fed. 2d 480 (1946), at pp. 486-487, said:

> "* * * the most practicable, and, as we think, the correct interpretation, is that publication abroad will be in all cases enough, provided that, under the laws of the country where it takes place, it does not result in putting the work into the public domain. Assuming, arguendo, that plaintiff's publication in Hungary did not do so, it could not affect the American copyright that copies of his song were at any time sold there without any notice of the kind required by our statute, and it would therefore be of no significance in its effect on the American copy-

right, if copies sold in Hungary bore a notice containing the wrong publication date."

In *Heim* v. *Universal Pictures Co., Inc., supra,* the contention was made that because the plaintiff's work was published in printed copies in Hungary without the copyright notice provided for by our Copyright Act, the plaintiff's work was in the public domain.

The Court in deciding this question looked to the law of Hungary as to whether or not under Hungarian law such a publication would place the work in the public domain.

This is in line with the fundamental rule of conflicts of law with respect to torts. The Court will look to the local law where the Act took place to decide the effect of the Act. This theory is most applicable to issues involving international acts.

There is therefore a conflict in the Circuits with respect to the decision in this case.

**(3) A third reason why this petition should be granted is that the Court of Appeals has decided two Federal questions probably in conflict with applicable decisions of this Court.**

1. This Court, in dealing with problems concerning the effect of an Act committed in a foreign country with respect to literary property, has limited the effectiveness of such Act to the foreign country under whose laws the Act was taken.

In *Ferris* v. *Frohman,* 223 U. S. 424, Mr. Justice Hughes speaking for the Court said, at page 433:

> 'The British Parliament, in thus fixing the limits and conditions of performing rights, was dealing with the rights to be exercised within British territory."

Again, at page 434, Mr. Justice Hughes said:

> "The fact that the Act of March 3, 1891, was applicable to citizens of foreign countries * * * did not make the British statutes operative within the United States."

By the same token, it is submitted that Title 17 U. S. C., Sec. 1(e) was not made operative within the territory of Germany by Presidential proclamation of the existence of reciprocal conditions of mechanical copyright treatment.

The Court of Appeals, in dealing with the license granted by the German copyright proprietor to record and release the German work in Germany, has given the German license the same effect as if it had been granted for a recording manufactured for sale and release in the United States under the United States Copyright Act.

2. The District Court held that a recording of a work copyrighted in the United States, which recording contains a new arrangement of the said copyrighted work, places the arrangement in the public domain, unless a separate copyright is registered in Washington with respect to that arrangement (R. 85, Conclusion No. 6).

The Court of Appeals in its decision struck this Conclusion No. 6 but only on the ground that the validity of the copyright on the said arrangement was not an issue material to the cause (Appendix B, p. 36).

However, if this Court should find that the mechanical rights were not lost by the sale of the German recording in Germany, the validity of the Biltmore copyright would be an issue material to the cause.

Such a rule promulgated by the District Court and not met by the Court of Appeals is demonstrably absurd.

It gives the power to the infringer to destroy the mechanical rights in any work he sought to record, if his

recording was an arrangement of the original copyrighted composition.[1]

Under the Compulsory License provision of the Copyright Act, the copyright owner has no practical control over the arrangements[2] used by the recording companies thereunder. Possibly the copyright owner could prevent a complete distortion of the work as recorded but this would be an extreme case, as Sec. 1(e) by its language contemplates different uses by each recording company.

The holding of the District Court is actually that a recording is a "copy" under the Copyright Act.

In 1908 this Court in *White-Smith Music Publishing Co., Inc.* v. *Appollo Co.*, 209 U. S. 1, said that a "'copy' is a visual expression in intelligible notation which can be seen and read". This definition specifically excluded mechanical recordings as coming within the definition of "copy". The District Court below cited no cases support-

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[1] In *National Comics Publications, Inc.* v. *Fawcett Publications, Inc.*, 191 F. 2d 594, Judge Learned Hand said, at page 603:

> "* * * We are unwilling to allow a barefaced infringer to invoke an innocent discretion from the letter that could not in the slightest degree have prejudiced him or the public."

It is submitted that Judge Hand has correctly stated the approach to the technical deviation question. This approach and philosophy are not strangers to this Court. See *Washington Publishing Co.* v. *Pearson*, 306 U. S. 30.

[2] Shafter, Musical Copyright (1939), Second Ed., pp. 332-333, says:

> "Mechanical manufacturers, subsequent to the original license, are limited in one respect, they may reproduce only in a 'similar' manner that which the first license has acquired in the original grant. *This does not mean the reproductions must be identical, as some latitude must be allowed to each manufacturer to prepare an individual instrumental or vocal arrangement of the composition.* Permission to make a violin record of a piece will allow vocal records to be made of the same composition."

ing the proposition that a phonograph record is a copy, but implicit in its holding and in the affirmance of the Court of Appeals with respect to the District Court's conclusion of law No. 5 (R. 87) (Appendix A, p. 24) was a holding that the arranger of a mechanical recording possesses a proprietary right therein as against the owner of the basic copyright. There is no case in the United States which agrees with this conclusion. See *Supreme Records, Inc.* v. *Decca Records, Inc.,* 90 F. Sup. 904 (S. D. California 1950, p. 908).

To sustain the decision below, *White-Smith Music Publishing Co., Inc.* v. *Appollo Co., supra,* must be reversed after a span of almost fifty years.

Further, in order to support the decision below, there must be a holding that under Title 17, Sec. 1(e), the copyright proprietor can obtain an additional copyright with respect to the mechanical recordings. This is necessary because the first time the new arrangement appeared in writing was when Biltmore published it (R. 42, line 7). In order to lose a copyright one must be able to gain it.

This Court has always looked to the Congressional intent to interpret its laws.[1]

Therefore, the Court of Appeals below has decided these questions probably in conflict with the applicable decisions of this Court.

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[1] House Committee Report (#2222) on the Bill Enacting Copyright Act of 1909, says:

> "It is not the intention of the Committee to extend the right of copyright to the mechanical reproductions themselves, but only to give the composer or copyright proprietor the control * * * of the manufacture and use of such devices."

WHEREFORE, petitioners respectfully pray that a Writ of Certiorari be granted.

Respectfully submitted,

MILTON A. RUDIN,
*Counsel for Petitioner,*
*Biltmore Music Corporation.*

On the Brief:
LEWIS A. DREYER,
*of Counsel.*

## APPENDIX A

### Findings of Fact and Conclusions of Law of the District Court of the United States for the Southern District of California

This cause coming before the Court upon an Agreed Statement of Facts, the Court having heard oral arguments by counsel for the respective parties, and examined the evidence in the form of affidavits, exhibits, and Plaintiffs' Replies to Defendants' Interrogatories and Requests for Admissions, does hereby make the following Findings of Fact and Conclusions of Law:

### Findings of Fact

1. That said Agreed Statement of Facts is the Court's Findings of Fact in the present action.

### Conclusions of Law

1. That this Court has jurisdiction of the subject matter and of the parties in this action. (84)

2. That there is no genuine issue between the parties as to any material fact in this action, and submission of an Agreed Statement of Facts on which judgment is to be rendered is proper.

3. That the failure of Plaintiff, Attorney General and his predecessors in title to the copyright of "Du Kannst Nicht Treu Sein", to comply with the provisions of § 1(e), 17 USC, precludes recovery against Defendant for his mechanical reproduction of said musical composition.

4. That Defendant's manufacture and sale of phonograph records of a "new arrangement" of a musical com-

position entitled "Du Kannst Nicht Treu Sein", and named "You Can't Be True", has been under a valid license granted by the composer of said "new arrangement."

5. That the failure of Plaintiff, Biltmore Music Corporation's predecessor in title to the copyright on said "new arrangement" of "Du Kannst Nicht Treu Sein" to comply with the provisions of § 1(e), 17 USC, precludes Plaintiff Biltmore Music Corporation from any recovery against Defendant for the mechanical reproduction of said "new arrangement."

6. That there had been a publication of said "new arrangement" prior to Plaintiff Biltmore Music Corporation securing its copyright thereon, and said copyright registration E Pub. No. 24797 is invalid.

Dated this 15th day of October, 1954.

/s/ Wm. M. Byrne,
*United States District Judge.*

Approved as to form:

Eugene S. Goodwin,
United States Attorney.

Affidavit of Service by Mail attached.
Receipt of Copy acknowledged.
(Endorsed): Filed October 15, 1954. (85)

# APPENDIX B

## Opinion of the Court of Appeals for the Ninth Circuit

UNITED STATES COURT OF APPEALS

FOR THE NINTH CIRCUIT

No. 14,625—Aug. 3, 1956

BILTMORE MUSIC CORPORATION and HERBERT BROWNELL, JR., Attorney General of the United States, as Successor to the Alien Property Custodian,

*Appellants,*

vs.

ROBERT W. KITTINGER,

*Appellee.*

Upon Appeal from the United States District Court for the Southern District of California, Central Division.

Before: FEE and CHAMBERS, Circuit Judges, and WALSH, District Judge

JAMES ALGER FEE, Circuit Judge:

This action for infringement of copyright was tried by the court without a jury. In the court below and in the arguments here, the pleadings have been disregarded. There was an agreed statement of facts introduced into the

record and upon this alone the cause was decided. Findings of fact, conclusions of law and judgment for defendant were entered.

The agreed statement of facts is as follows:

> "It Is Hereby Stipulated by and between the parties hereto, through their respective counsel, that the following statements of fact are true:
>
> "1. The cause of action involved herein arises under the copyright law of the United States (17 United States Code, Sections 1 to 215, inclusive) and the Trading With the Enemy Act (50 United States Code, Appendix Section 17) and jurisdiction is based upon Section 1331 of Title 28 of the United States Code as Amended.
>
> "2. Plaintiff Biltmore Music Corporation (hereinafter referred to as 'Biltmore') is and at all times since March 8, 1948, has been a corporation organized and existing under the laws of the State of New York.
>
> "3. Plaintiff Herbert G. Brownell is the Attorney General of the United States and is the successor to the Alien Property Custodian.
>
> "4. Defendant Robert W. Kittinger (hereinafter referred to as 'Kittinger' or as 'defendant') is a resident of the City of Long Beach, State of California.
>
> "5. Prior to January 1, 1935, Gerhard Ebeler and Hans Otten, then Nationals of Germany, composed the lyrics and music, respectively, of a musical composition entitled 'Du Kannst Nicht Treu Sein' (sometimes hereinafter referred to as the 'composition') and thereafter assigned all of their rights therein to Gerhard Ebeler Verlag, a German publisher, who, during the year 1935, made applica-

tion for and was granted a copyright registration under Registration Number E For. No. 39841. A copy of the copyright certificate is marked Exhibit I and is attached hereto. At the time said copyright was issued, citizens of Germany were entitled to copyright in the United States of America by virtue of Presidential proclamation to that effect.

"6. Between 1935 and 1938 Gerhard Ebeler Verlag, the then copyright owner, licensed the Electrola Company, a German company, to manufacture and sell phonograph records of the composition in Germany and pursuant to said license, phonograph records of the composition were manufactured and sold in Germany by said Electrola Company.

"7. During 1938 the Radio Corporation of America, R.C.A. Victor Division (hereinafter referred to as 'R.C.A.') placed phonograph records of the composition on sale in the United States. Said records were made in the United States from the master which had been manufactured in Germany by the Electrola Company. R.C.A. had no license nor permission to manufacture or sell said records and paid no royalties thereon and at no time prior to April of 1948 notified Gerhard Ebeler Verlag or the Alien Property Custodian or Biltmore that the said recording had been manufactured or released. R.C.A. was under the impression that the composition was mechanically free in the United States.

"8. During the period between January 1, 1947, and January 1, 1949, Kittinger was the President and General Manager of Chicago Recording Studios, Inc., an Illinois corporation (sometimes hereinafter referred to as 'Chicago') which was engaged in manufacturing and selling phonograph records.

During said period, Kittinger arranged for the recording, release and sale of all phonograph records issued by Chicago.

"9. Shortly prior to August 20, 1947, Ken Griffin, a musician who is hereinafter referred to as 'Griffin,' contacted Kittinger and advised him that he had made a number of arrangements of various musical compositions which he was willing to record for the production of 'masters.' 'Masters' are original recordings which are used for the production of dies from which phonograph records are produced. On August 20, 1947, Kittinger, acting on behalf of Chicago, employed Griffin, under a written contract for a consideration of $165.00 which was paid to Griffin, to record eight masters. A copy of said employment contract, which is on a form approved by the American Federation of Musicians, is attached hereto marked Exhibit II. On or about the same date and pursuant to said contract, Griffin made eight recordings for Chicago for the production of masters, one of which masters was a new arrangement of the composition as an organ solo which he had previously composed and which he played and recorded as an organ solo from memory inasmuch as he had not made a written score thereof. The arrangement of the composition which Griffin recorded as aforesaid is hereinafter referred to as the 'new arrangement.'

"10. In October, 1947, Chicago issued phonograph records of the new arrangement which had been recorded by Griffin. Said phonograph records were issued under the title, 'You Can't Be True,' and bore Chicago's Broadcast' label and its Serial Number 460. Between October 1, 1947, and September 1,

1953, Chicago, under the management and control of Kittinger, sold 207,000 phonograph records of the new arrangement. Of said records 4,000 were sold between October 1, 1947, and March 16, 1948, and the remaining 203,000 were sold between March 16, 1948, and March 14, 1952. Neither Kittinger nor Chicago at any time filed a statutory notice of intention to use the 'composition' or the new arrangement or paid the mechanical fees required by the Copyright Act, or any other royalties, or had the permission of the Alien Property Custodian or Gerhard Ebeler Verlag or J. F. Bard or J. F. Bard Co., Inc., or Biltmore to manufacture or sell records of the 'composition' or the new arrangement.

"11. Between August 20, 1947, and January 1, 1948, Griffin recorded the new arrangement a second time for the production of a master. The second recording was made for Rondo Records, Inc., a phonograph record manufacturer which was a competitor of Chicago. At that time, J. F. Bard (who is hereinafter referred to as 'Bard') was the Vice President of Rondo Records, Inc.

"12. Bard, after hearing the new arrangement played by Griffin personally and after hearing the phonograph record of the new arrangement issued by Chicago, and on or about February 11, 1948, composed and wrote his own arrangement and his own lyrics to the music of 'Du Kannst Nicht Treu Sein' and secured an unpublished registration thereon, No. E Unp. 117804. A copy of said copyright certificate and the unpublished manuscript registered therewith are attached hereto as Exhibits III and III(a), respectively. It is not claimed by plaintiffs that defendant infringed said copyright.

"13. Thereafter, and prior to March 15, 1948, Dave Dreyer, who had not theretofore heard the record issued by Chicago or the new arrangement played by Griffin personally, and Bard collaborated in composing English lyrics for the new arrangement, which lyrics were entitled, 'You Can't Be True Dear,' and are hereinafter referred to as the 'lyrics.' The 'lyrics' are a loose translation of the original German lyrics. The lyrics and the new arrangement referred to in paragraph 9 hereof constitute the Biltmore publication referred to in paragraph 21 hereof.

"14. On February 17, 1948, Griffin signed and delivered to Bard a written instrument, purporting to be an assignment to Bard of the new arrangement. A copy of said written instrument is attached hereto marked Exhibit IV.

"15. On February 20, 1948, Griffin entered into a written agreement with Chicago to record exclusively for Chicago, a copy of which agreement is attached hereto marked Exhibit V. At the same time, Chicago paid Griffin an advance royalty of $250.00 and received a receipt therefor, a copy of which is attached hereto marked Exhibit VI.

"16. On February 24, 1948, all rights, privileges and powers in connection with Copyright 'E For. No. 39841' were seized and vested by the Alien Property Custodian and title thereto was transferred to the Attorney General of the United States by Vesting Order 500A-233, a copy of which is marked Exhibit VII and is attached hereto.

"17. On March 2, 1948, J. F. Bard Company, Inc., which was engaged in the business of distributing phonograph records and is hereinafter

referred to as 'Bard Company,' was granted a license, Number E1277, by the Office of the Alien Property Custodian which permitted Bard Company to publish sheet music and issue phonograph records of the 'composition' in the form of the new arrangement and with the new lyrics. Said license expressly permitted Bard Company to sublicense others for the same purposes and to assign to Biltmore. A copy of said license is marked Exhibit VIII and is attached hereto. On March 5, 1948, Bard Company assigned its rights under said license to Biltmore.

"18. On March 5, 1948, Bard assigned copyright 'E Unp. No. 117804' to Biltmore. A copy of said assignment, which was recorded in the United States Copyright Office on March 8, 1948, is attached hereto marked Exhibit IX. If called as a witness in this case Bard would testify that on March 8, 1948, he assigned to Biltmore the rights which he acquired from Griffin under the instrument referred to in paragraph 14 hereof and that Biltmore assumed his obligations thereunder; he would further testify that said assignment was oral and was not recorded in the United States Copyright Office.

"19. On March 8, 1948, Biltmore was incorporated under the laws of the State of New York. On March 12, 1948, Dreyer was elected President and Bard was elected Vice President of said corporation. On the same date both Bard and Dreyer were elected directors of said corporation. Both of the said persons have occupied said offices at all times to the present date.

"20. On March 9, 1948, Biltmore filed a Notice of Use in the United States Copyright Office. A copy of said Notice of Use is marked Exhibit X and is attached hereto.

"21. Shortly prior to March 15, 1948, Biltmore published sheet music copies of 'You Can't Be True, Dear,' consisting of the new arrangement and the new lyrics. The first page of music of said published sheet music copies contained the words 'Copyright 1948' and the name and address of Biltmore. On March 15, 1948, Biltmore deposited two complete copies of said published sheet music in the United States Copyright Office. On April 9, 1948, Biltmore was granted Copyright Registration No. E Pub. No. 24797 on the new arrangement and the new lyrics. A copy of said certificate is marked Exhibit XI and is attached hereto.

"22. On March 16, 1948, Bard wired Defendant as follows: 'Stop immediately pressing You Can't Be True, Dear, as infringement of valid copyright controlled by Biltmore Music Corporation, 1650 Broadway, New York, vested with Attorney General. Apply to Biltmore Music Corporation for license otherwise their attorney will take out injunction. To avoid heavy penalty under law suggest you get in touch with me immediately.'

"23. Defendant and Chicago failed to answer said telegram and at no time did either of them request or obtain from Bard Company or Biltmore a license or pay any royalties to either of said corporations or any other person, firm or corporation in connection with its phonograph records of the new arrangement.

"24. On March 18, 1948, Defendant wrote to the office of Alien Property requesting forms for filing an application for a license with respect to the new arrangement. Correspondence ensued between the Defendant and the Office of Alien Property but no

license was issued to Chicago or Defendant. Copies of said correspondence are marked Exhibits XII, XIII, XIV, and XV and are attached hereto.

"25. On May 10, 1948, Griffin entered into a written agreement with Biltmore respecting the new arrangement, a copy of which agreement is marked Exhibit XVI and is attached hereto.

"26. Commencing in March, 1948, Biltmore publicized and exploited 'You Can't Be True, Dear,' at a substantial expense, and it achieved great popularity and ultimately became one of the most popular 'song hits' in America.

"27. Between March 18, 1948, and November 9, 1948, Biltmore licensed eighteen phonograph record manufacturing companies, including Rondo Records, Inc., to manufacture and sell records of 'You Can't Be True, Dear.'

"28. On September 8, 1948, Biltmore's attorneys wrote to Broadcast Record Company for the attention of Kittinger stating that it was infringing Biltmore's copyright, a copy of which letter is marked Exhibit XVII and is attached hereto.

"29. In 1950 plaintiffs instituted suit for copyright infringement against Chicago and Kittinger in the State of Ilinois. Plaintiffs were unable to effect service upon Kittinger in said action.

"30. At no time was a Notice of Use under 17 U.S.C. Section 1(e) filed in the Copyright Office by Griffin with respect to the new arrangement.

"31. At no time was a Notice of Use under 17 U.S.C. Section 1(e) filed in the Copyright Office by the Office of Alien Property or the Attorney Gen-

eral of the United States or Gerhard Ebeler or Hans Otten or Gerhard Ebeler Verlag or anyone else with respect to the composition or the new arrangement, except for the Notice of Use mentioned in paragraph 20 hereof.

"32. Defendant has at no time since August 20, 1947, sold phonograph records of an arrangement of the 'composition' other than the new arrangement as first recorded by Griffin as an organ solo for Chicago. The sale of phonograph records of the new arrangement by defendant was at all times with the permission of Chicago. The phonograph records sold by defendant were all identified by the title, 'You Can't Be True.'"

Since the owners of the United States Copyright on the composition "Du Kannst Nicht Treu Sein" did not comply with the provisions of 17 U.S.C.A. § 1(e), which constitute a condition precedent to collecting statutory royalties for mechanical reproduction of the composition, appellants cannot recover [1] and the judgment must be affirmed. The vesting act did not clothe the Attorney General with any power to avoid these conditions which are set up by the

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[1] "3. That the failure of Plaintiff, Attorney General and his predesessors in title to the copyright of Due Kannst Nicht Treu Sein, to comply with the provisions of section 1(e), 17 U. S. C., precludes recovery against Defendant for his mechanical reproduction of said musical composition.

* * *

"5. That the failure of Plaintiff, Biltmore Music Corporation's predecessor in title to the copyright on said 'new arrangement' of Du Kannst Nicht Treu Sein to comply with the provisions of section 1(e) 17 U. S.C., precludes Plaintiff Biltmore Music Corporation from any recovery against Defendant for the mechanical reproduction of said 'new arrangement.'" Conclusions of Law (Record, pages 84-85).

statute and which were not repealed by implication or otherwise. The rule that the terms of the statute relating to copyrights must be substantially complied with or no advantage can be taken of its provisions is applicable to the present situation.

Griffin was thereby relieved of the necessity of obtaining permission of these owners to devise and record the new arrangement. Since he was the composer of the new arrangement, he was vested with a right to grant valid licenses. This was a vested property right which he could assign.[2]

Biltmore Music Corporation could therefore acquire no exclusive rights to the new arrangement in entire disregard of the fact that Griffin had recorded this variation for the production of a master and sold it to Kittinger. Thereafter, according to the stipulation, defendant has at no time since August 20, 1947, sold phonograph records of an arrangement of the composition "other than the new arrangement as first recorded by Griffin as an organ solo for Chicago." The statute provides in § 1(e):

> "Any failure to file such notice shall be a complete defense to any suit, action, or proceeding for any infringement of such copyright."

Some four thousand records were sold and used by the public before there was an application for statutory copyright protection by March 15, 1948. We do not believe

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[2] "4. That Defendant's manufacture and sale of phonograph records of a 'new arrangement' of a musical composition entitled Du Kannst Nicht Treu Sein, and named You Can't Be True, has been under a valid license granted by the composer of said 'new arrangement.'" Conclusions of Law (Record, pages 84-85).

that the application for copyright upon that date did away with the rights which were acquired by defendant before that time. The questions resolved by the court were largely questions of fact. No finding on this phase has been shown to be clearly erroneous, and the rules are correctly stated.

However, the trial judge went beyond this primary question and likewise determined that the statutory copyright registered March 15, 1948, was invalid. This was not involved in the issues before the court, although it was raised by the pleadings. But we think it was sufficient to follow the language of the statute and hold that the failure to give notice of use was a complete statutory defense to all acts being done by Kittinger and Chicago since August 20, 1947. Therefore, the holding will be modified by striking out the sixth paragraph of the conclusions and the paragraph numbered 6 of the judgment. Otherwise, the judgment is affirmed.

(Endorsed:) Opinion. Filed, Aug. 3, 1956,

PAUL P. O'BRIEN,
Clerk.

# APPENDIX C

## Exhibit II

CONTRACT BLANK
AMERICAN FEDERATION OF MUSICIANS
LOCAL No. 10

This Contract for the personal services of musicians, made this 20th day of August, 1947, between the undersigned employer (hereinafter called the employer) and Ken Griffin musicians (hereinafter called employees) represented by the undersigned representative.

WITNESSETH, That the employer employs the personal services of the employees, as musicians severally, and the employees severally, through their representative agree to render collectively to the employer services as musicians in the orchestra under the leadership of Ken Griffin, according to the following terms and conditions:

Name and Address of Place of Engagement: Chicago Recording Studios, Inc., 64 E. Jackson Blvd.

Date(s) of Employment: Aug. 20, 1947.

Hours of Employment: 6 p. m. to 12:00 p. m. 2—three hour sessions—8 ten-inch masters.

Price Agreed Upon: $165.00.

To be paid: Aug. 20, 1947.

The employer shall at all times have complete control of the services which the employees will render upon the specifications of this contract. On behalf of the employer the Leader will distribute the amount received from the employer to the employees, including himself, as indicated on the opposite side of this contract, or in place thereof on separate memorandum supplied to the employer at or

before the commencement of the employment hereunder and take and turn over to the employer receipts therefor from each employee, including himself. The amount paid to the Leader includes the cost of transportation, which will be reported by the Leader to the employer. The employer hereby authorizes the Leader on his behalf to replace any employee who by illness, absence, or for any other reason does not perform any or all of the services provided for under this contract. The agreement of the employees to perform is subject to proven detention by sickness, accidents, or accidents, to means of transportation, riots, strikes, epidemics, acts of God, or any other legitimate conditions beyond the control of the employees. The employer agrees that the Business Representatives of the Musicians' Local, in whose jurisdiction the musicians are playing, shall have access to the premises in which the musicians perform (except in private residences) for the purpose of conferring with the musicians. The musicians performing services under this contract must be members of the American Federation of Musicians and nothing in this contract shall ever be so construed as to interfere with any obligation which they may owe to the American Federation of Musicians.

It is agreed that all the rules, laws and regulations of the American Federation of Musicians, and all the rules, laws and regulations of the Local in whose jurisdiction the musicians perform, insofar as they are not in conflict with those of the Federation, are made part of this contract.

Any member or members who are parties to or affected by this contract, whose services thereunder or covered thereby, are prevented, suspended or stopped by reason of any strike, ban, unfair list order or requirement of the Federation shall be free to accept and engage in other employment of the same or similar character, or otherwise, for other employers or persons without any restraint,

hindrance, penalty, obligation or liability whatever, any other provisions of this contract to the contrary notwithstanding.

If this contract requires or contemplates the recording, transmission or reproduction of any music by any mechanical means, then it shall not become effective unless and until it shall be approved by the International Executive Board of the American Federation of Musicians.

The employer represents that there does not exist against him, in favor of any employee-member of the American Federation of Musicians, any claim of any kind arising out of musical services rendered for any such employer. It is agreed that no employee-member of the American Federation of Musicians will be required to perform any provisions of this contract or to render any services for said employer as long as any such claim is unsatisfied or unpaid, in whole or in part. The employer in signing this contract himself, or having same signed by a representative, acknowledges his (her or their) authority to do so and hereby assumes liability for the amount stated herein.

Name of Employer: Chicago Recording Studios, Inc.
Street Address: 64 E. Jackson Blvd.
City or State: Chicago, Illinois.
Phone: Web 7288.

Accepted by Employer:

/s/ R. W. KITTINGER.

Accepted:

/s/ KEN GRIFFIN,
(Orchestra Leader.)

By .....,
(Representatives of
Employees.) (43)

## APPENDIX D

License No. E-1277

OFFICE OF ALIEN PROPERTY

DEPARTMENT OF JUSTICE

Washington 25, D. C.

Dated March 2, 1948

### License Agreement

The Director of the Office of Alien Property, acting for the Attorney General, Licensor, and under the authority of and in conformity with the Trading with the enemy Act, as amended, Executive Orders 9193, as amended, and 9788, and pursuant to law, hereby grants to J. F. Bard Company, Inc., of 329 South Wood Street, Chicago 12, Illinois, hereinafter called the Licensee, a limited non-exclusive license to use the following Material (under the copyright interests vested in the Licensor pursuant to Vesting Order (X) 500A-233) subject to the terms and conditions hereinafter set forth.

(1) This license is granted with respect to the following: A certain musical composition, with lyrics, entitled "Du kannst nicht treu sein" by Hans Otten, Composer, and Gerhard Ebeler, Lyrist. Published by Gerhard Ebeler Verlag, Cologne, Germany (1935) Orchestra and Vocal, hereinafter referred to as the "Material".

(2) The license granted herein is limited to the use of the Material for: Publication and sale in the form of sheet music, and in the form of phonograph records (electrical transcriptions), in a new arrangement by Ken Griffin (American) with Eng-

lish lyrics, by Hal Cotton (pseudonym for J. F. Bard and Dave Dreyer), hereinafter referred to as the "Work", it being understood that the Licensee contemplates exploiting and marketing the Work during the term hereof.

(3) The territory in which said license may be exercised is limited to the Continental United States of America, and its territories and possessions.

(4) The license shall be non-exclusive and shall terminate on December 31, 1952 or at the expiration of the earliest copyright included in the Material; it may, however, be terminated by the Attorney General as Licensor at any earlier date provided thirty (30) days notice thereof is mailed to the Licensee at the above address by registered mail, setting forth the date of such earlier termination.

(a) See SPECIAL ARRANGEMENTS.

(5) The Licensee agrees to pay to the Licensor $15.00 (Application fee) and such other fees as are set forth in Paragraph 5 (a) of the SPECIAL ARRANGEMENTS.

(6) Upon publication (release) of the Work the Licensee agrees (and this shall be a condition of this license):

(a) To notify the Licensor of the date of publication of the Work, such notice to be accompanied by three copies of of the Work in both sheet music and record form;

(b) The Licensee agrees to furnish quarterly statements of accounts within thirty (30) days after the end of each calendar quarter and said statements shall be accompanied by a check in payment of the royalties and fees due thereunder;

(c) See SPECIAL ARRANGEMENTS;

(d) See SPECIAL ARRANGEMENTS.

(7) This license shall be non-assignable, whether by voluntary assignment, operation of law, or otherwise, and the Licensee shall not sublet this license in whole or in part; but the rights of the Licensor shall pass to his successor.

(8) The Licensee represents that it has no knowledge of any claims or rights (including those enforceable or in effect on or after January 1, 1939, even though the same have since expired) with respect to the Material or the copyrights therein or interests thereunder, of any persons, firms, corporations, or associations (except those claims or rights of foreign nationals heretofore vested in the Licensor) which conflict with or would be violated by the exercise by the Licensee of any of the rights and privileges granted in this license.

(9) The Licensee agrees to defend and hold the Licensor harmless from the payment of any loss or damage or the payment of any judgment which may be rendered against the Licensor as a result of any claim, action, or proceeding alleging that the said Material or Work contains any matter which is libelous or unlawful or an infringement of the copyright or in violation of any other right of any person or party whomsoever, and the Licensee further agrees that in the event that any such claim, action, or proceeding is directed against the Licensee, the Licensee will immediately advise the Licensor and defend the same. It is understood that the Licensor retains the right, but does not assume the obligation, to defend by its own counsel any such claim, action, or proceeding.

(10) All rights not specifically granted herein to the Licensee are reserved to the Licensor with free privilege of user.

(11) If there are any special arrangements not heretofore covered, same shall appear under paragraph marked "Special Arrangements" and shall be deemed incorporated herein.

(12) Anything in this agreement to the contrary notwithstanding, the Licensee understands that this license is in the nature of a consent and that:

(a) The Attorney General, Licensor, makes no warranty as to the Material or Work or the validity of the copyrights therein, or of his interest thereunder, or that the Material or Work does not infringe upon the common law or statutory copyrights of others, or that the Material or Work is not libelous or does not invade personal or other rights of any parties whatsoever;

(b) Nothing herein contained shall be construed as an authorization or permission to the Licensee to exercise any rights or privileges granted in this license in conflict with or in violation of rights and privileges of any parties whose interests in the Material have not been heretofore vested in the Licensor by virtue of the aforementioned Vesting Order(s) pertinent provisions of which are attached hereto;

(c) The rights granted by this license are based upon only such right, title and interest in the Material and the copyright interests therein as the Attorney General holds pursuant to law.

(13) This agreement constitutes the whole and entire agreement between the parties hereto.

IN WITNESS WHEREOF, the undersigned has executed this agreement for the Attorney General, Licensor, and the Licensee has accepted it and agrees to be bound by all of the terms herein set forth, this 2nd day of March, 1948.

For the Attorney General:
DAVID L. BAZELON
Assistant Attorney General
Director, Office of Alien Property
HENRY G. HILKEN
Henry G. Hilken, Chief
Operations Branch

Agreed to:

J. F. BARD COMPANY, INC.
Licensee

By J. F. BARD, President

Special Arrangements, if any (See Paragraph 11) and
SPECIAL ARRANGEMENTS

(4) (a) Notwithstanding the provisions of Paragraph (4) hereof, the Licensor agrees that he will give no other License for an arrangement of this composition until after six months following the date of this License.

(5) (a) In addition to the application fee of $15.00 the Licensee agrees to pay to the Licensor an advance of $42.00 against a royalty of 6% of the list or retail price of each copy of the sheet music sold by Biltmore Music Corporation of New York City, and $100.00 as a further advance on 60% of the sums received by Licensee from its assignees and/or sublicensees of the mechanical rights.

(6) Upon publication (release) of the Work the Licensee agrees (and this shall be a condition of this License):

(c) To carry on each copy of the Work, as reproduced in sheet music form, at all times and at the proper places, the notice required by the copyright law to protect the copyrights of the Material so as to prevent said Material from falling into public domain, said notice of copyright to read as follows: "Based upon German composition entitled *Du kannst nicht treu sein* by Hans Otten, Composer, and Gerhard Ebeler, Lyrist, Copyright 1935 by Gerhard Ebeler Verlag, in Cologne," and to be followed immediately thereafter by the legend:

"Copyright vested in the Attorney General pursuant to law."

(d) To state in a prominent place in each copy of the Work whether published in sheet music form or in the form of phonograph recordings, that the use of the Material is "by permission of the Attorney General in the public interest under License No. *E-1277*.

(14) Notwithstanding the provisions contained in paragraph (7) hereof, licensee may sublicense or assign to Biltmore Music Corporation, of New York City, the rights herein granted to publish and sell in the form of sheet music, and to Rondo Records Inc., of Chicago, and other recording companies the right to manufacture and sell, in the form of phonograph recordings, the Work covered by this license: provided, that such sublicensing and/or assignment shall not relieve the licensee of the obligations provided for in paragraphs (5), (6), (8), and (9) hereof.

(15) It is understood that the sheet music produced hereunder will carry a retail price of 35¢ per copy and that the phonograph records produced hereunder will carry a retail price of not more than $1.00.

## TOPICAL INDEX


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IN THE

# Supreme Court of the United States

October Term, 1956

No. 537.

BILTMORE MUSIC CORPORATION and HERBERT BROWNELL, JR., ATTORNEY GENERAL OF THE UNITED STATES, AS SUCCESSOR TO THE ALIEN PROPERTY CUSTODIAN,
*Appellants,*

BILTMORE MUSIC CORPORATION,
*Petitioner,*

*vs.*

ROBERT W. KITTINGER,
*Appellee-Respondent.*

## Brief in Opposition to Granting of Petition for Writ of Certiorari.

*To the Honorable Chief Justice and the Associate Justices of the Supreme Court of the United States:*

Robert W. Kittinger, respondent to the petition for writ of certiorari to the United States Court of Appeals for the Ninth Circuit, opposes the granting of the petition.

Explanation of abbreviations used in this brief:

| Abbreviation | For |
|---|---|
| Pet. | Petition |
| Tr. | Transcript of Record to Court of Appeals |

## Grounds of Opposition.

The decision of the Court of Appeals for the Ninth Circuit in this case is not in conflict with the decision of another Court of Appeals on the same matter, for said Court of Appeals for the Ninth Circuit has not decided an important question of Federal law which has not been but should be settled by this Court, and said Court of Appeals for the Ninth Circuit has not decided a Federal question in a way in conflict with applicable decisions of this Court. The petitioner presents no sound reasons which should move this Court to exercise its discretion in favor of review of the decision below.

## Questions Presented for Review.

Petitioner, in stating the questions of law it presents for review, assumes a fact situation contrary to that established by the decisions below. The Court of Appeals for the Ninth Circuit [Tr. p. 104] found:

> "The questions resolved by the Court were largely questions of fact. No finding on this phase has been shown to be clearly erroneous and the rules are correctly stated."

The questions presented by the petitioner are hypothetical, and it is basic that this Court does not review hypothetical questions.

## Statement of the Case.

The case was tried on an agreed statement of facts [Tr. pp. 39-49]. The facts stipulated to by the parties are summarized as follows:

Prior to January 1, 1935, Gerhard Ebeler and Hans Otten, two German Nationals composed a musical composition entitled "Du Kannst Nicht Treu Sein" (You

Can't Be True), referred to as the "composition" in the agreed statement of facts [Tr. pp. 39-49]. During the year 1935, Ebeler and Otten assigned all rights to the composition to one Verlag, another German National, who made application for, and was granted a United States copyright under Registration E For. No. 39841.

Between 1935 and 1938, Verlag, the then copyright owner, licensed a German firm to record said composition and make phonograph records of same, which was done. During 1938, phonograph records of the composition were sold in the United States. On February 24, 1948, all rights, privileges and power in connection with Copyright E. For. No. 39841 were seized by the office of the Alien Property Custodian and title thereto subsequently was transferred to the Attorney General of the United States.

During the period between January 1, 1947 and January 1, 1949, respondent acted as President and General Manager of Chicago Recording Studios, Inc., an Illinois corporation, hereinafter referred to as "Chicago" which was engaged in the manufacture and sale of phonograph records.

Shortly prior to August 20, 1947, Ken Griffin, a musician, offered to record some new arrangements he had devised for Chicago. Chicago accepted Griffin's offer, and on or about August 20, 1947, Griffin recorded eight master records for Chicago, for which he was paid a valuable consideration at the current union scale. A master record is a recording that is used as the basis for making phonograph records of the material recorded thereon. One of the masters was an organ solo of a new arrangement of the composition "Du Kannst Nicht Treu Sein."

In October 1947, Chicago issued phonograph records of the new arrangement under the title, "You Can't Be True." Subsequently Chicago manufactured 207,000 of these records, all of which were replicas of the Ken Griffin recording.

One J. F. Bard, after hearing the Chicago phonograph record, "You Can't Be True", collaborated with one Dave Dreyer who had not heard the record, in composing English lyrics for the new arrangement. On February 17, 1948, J. F. Bard obtained a written instrument executed by Ken Griffin that is alleged to be an assignment of the musical score of the new arrangement to Bard.

On March 2, 1948, J. F. Bard Company, Inc. was granted a license, E 1277, by the Office of Alien Property to publish sheet music and issue phonograph records of the composition in the form of the new arrangement and with the new lyrics. On March 5, 1948, J. F. Bard Company, Inc. assigned its rights under said license to petitioner Biltmore Music Corporation.

On March 8, 1948, petitioner Biltmore Music Corporation was incorporated under the laws of the State of New York. On March 12, 1948, Dave Dreyer was elected President and J. F. Bard was elected Vice President of said corporation.

On March 15, 1948, petitioner Biltmore Music Corporation deposited two copies of sheet music in the Copyright Office, which sheet music contained the musical score of the new arrangement as Ken Griffin had recorded it for Chicago, together with said English lyrics composed by Dave Dreyer and J. F. Bard.

On April 9, 1948, petitioner Biltmore Music Corporation was granted copyright registration E. Pub. No.

24797 on the new arrangement and English lyrics. Petitioner Biltmore Music Corporation, on March 9, 1948, filed a Notice of Use in the United States Copyright office.

Petitioner Biltmore Music Corporation, on March 16, 1948, wired appellee-respondent Kittinger to stop pressing records of "You Can't Be True", as said records infringed the copyright controlled by Biltmore.

After receipt of this notice, Chicago Recording Studios, Inc. attempted to obtain license from the Office of Alien Property under Copyright E For. No. 39841 but was refused.

During the period between March 18, 1948 and November 9, 1948, petitioner Biltmore licensed eighteen phonograph record companies under Copyright E Pub. No. 24797.

At no time was a Notice of Use under 17 U. S. C. Section 1(e) filed in the Copyright Office by Ken Griffin on his new arrangement.

At no time was a Notice of Use under 17 U. S. C. Section 1(e) filed in the Copyright Office by the Office of Alien Property, Attorney General of the United States, or any other owner of the copyright on the composition, "Du Kannst Nicht Treu Sein" in order that they could recover statutory royalties for the mechanical reproduction thereof.

On appeal to the United States Court of Appeals for the Ninth Circuit, the Appellate Court found [Tr. p. 104]:

> "However, the trial judge went beyond this primary question and likewise determined that the statutory copyright registered March 15, 1948, was in-

> valid. This was not involved in the issues before the court, although it was raised by the pleadings. But we think it was sufficient to follow the language of the statute and hold that the failure to give notice of use was a complete statutory defense to all acts being done by Kittinger and Chicago since August 20, 1947. Therefore, the holding will be modified by striking out the sixth paragraph of the conclusions and the paragraph numbered 6 of the judgment. Otherwise, the judgment is affirmed."

Petitioner Biltmore Music Corporation seeks to frame the legal questions it presents (Pet. pp. 2, 3) in a fact picture which has no support in the record. Questions 1 and 2 are purely of a hypothetical nature and disregard the agreed statement of facts [Tr. pp. 44, 45 and 48, Pars. 16, 17 and 31]. The undisputed facts are:

That license No. E 1277 was granted to the J. F. Bard Company, Inc. by the Office of the Alien Property Custodian, and that Office was bound to comply with 17 U. S. C. Section 1(e) if recovery was to be had against appellee-respondent Kittinger for his mechanical reproduction of the composition "Du Kannst Nicht Treu Sein." No Notice of Use was filed by the Office of the Alien Property Custodian in accordance with 17 U. S. C. Section 1(e), and accordingly petitioner Biltmore is precluded against recovery as to appellee-respondent.

In *Calega v. Inter-Ocean Newspaper Company* (1909), 215 U. S. 188, this Court stated,

> "Statutory copyright is not to be confounded with the common law right, as at common law the exclusive right to copy existed in the author until he permitted a general publication. Thus, when a

> book was published in print, the owner's common law right was lost. At common law an author had a property in his manuscript, and might have an action against any one who undertook to publish it without authority. The statute created a new property right, giving to the author, after publication, the exclusive right to multiply copies for a limited period. *This statutory right is obtained in a certain way and by the performance of certain acts which the statute points out.*"

The decision of the Court of Appeals for the Ninth Circuit as to Questions 1 and 2 in this case is not in conflict with the decision of another Court of Appeals on the same matter, the Court of Appeals for the Ninth Circuit has not decided an important question of Federal law which has not been but should be settled by this Court, and said Court of Appeals for the Ninth Circuit has not decided a Federal question in a way in conflict with applicable decisions of this Court.

Questions 3 and 4 presented by petitioner are again purely hypothetical in nature, for in its opinion [Tr. p. 104], the United States Court of Appeals for the Ninth Circuit modified the lower court's holding by stating:

> "Therefore, the holding will be modified by striking out the sixth paragraph of the conclusions and the paragraph numbered 6 of the judgment. Otherwise, the judgment is affirmed."

The United States Court of Appeals for the Ninth Circuit has held in favor of petitioner as to the matter embodied in Questions 3 and 4, and accordingly there is no reason for this Court to consider these questions.

Again as to Questions 3 and 4 (Pet. p. 3) the decision of the Court of Appeals for the Ninth Circuit in this case is not in conflict with the decision of another Court of Appeals on the same matter, said Court of Appeals for the Ninth Circuit has not decided an important question of Federal law which has not been but should be settled by this Court and said Court of Appeals for the Ninth Circuit has not decided a Federal question in a way in conflict with applicable decisions of this Court.

In Question 5 (Pet. p. 3) petitioner seeks to frame the legal question it presents in a fact picture which has no support in the record but is purely hypothetical for Ken Griffin was the composer of the new arrangement and was paid a valuable consideration for recording same as a master prior to February 17, 1948, on which date he assigned his rights in and to the new arrangement to J. F. Bard. The United States Court of Appeals for the Ninth Circuit [Tr. p. 104] stated that:

> "Biltmore Music Corporation could therefore acquire no exclusive rights to the new arrangement in entire disregard of the fact that Griffin had recorded this variation for the production of a master and sold it to Kittinger. Thereafter, according to the stipulation, defendant has at no time since August 20, 1947, sold phonograph records of an arrangement of the composition 'other than the new arrangement as first recorded by Griffin as an organ solo for Chicago'. The statute provides in Sec. 1(e):
>
> > " 'Any failure to file such notice shall be a complete defense to any suit, action, or proceeding for any infringement of such copyright.' "

The decision of the Court of Appeals for the Ninth Circuit as to Question 5 in this case is not in conflict

with the decision of another Court of Appeals on the same matter, said Court of Appeals for the Ninth Circuit has not decided an important question of Federal law which has not been but should be settled by this Court, and said Court of Appeals for the Ninth Circuit has not decided a Federal question in a way in conflict with applicable decisions of this Court.

**Conclusion.**

In conclusion, none of the considerations stated in Rule 19 of the rules of this Court as ground for granting a review on writ of certiorari are preesnted by the record in this case. There are no special and important reasons which should move this Court to exercise its discretion to review this case.

Respectfully submitted,

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*Of Counsel.*

# In the Supreme Court of the United States

OCTOBER TERM, 1956

No. 537

BILTMORE MUSIC CORPORATION, PETITIONER

*v.*

ROBERT W. KITTINGER

*ON PETITION FOR A WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE NINTH CIRCUIT*

## MEMORANDUM FOR THE UNITED STATES

The Attorney General, successor to the Alien Property Custodian, was a party to this case—a suit for copyright infringement—in the district court and in the court of appeals, appearing throughout those proceedings in his capacity as licensor of the petitioner, Biltmore Music Corporation. The Attorney General occupied this position of licensor as a result of the fact that the copyright involved had been vested in 1948 under the provisions of the Trading with the Enemy Act.

While the Attorney General has a limited pecuniary interest in the outcome, the case does not raise any question under the Trading with the Enemy Act. Moreover, we have been advised by the Register of Copyrights that the decision will not affect the operations or practices of the Copyright Office. For these

reasons, and for the further reason that the issues of general copyright law which are involved are matters as to which the private parties in the case, who are members of the affected trade, are well qualified to speak, the Government takes no position as to the merits of the petition.

Respectfully submitted.

J. LEE RANKIN,
*Solicitor General.*

NOVEMBER 1956.

U. S. GOVERNMENT PRINTING OFFICE: 1956

MOTION FILED DEC 3 1956

# Supreme Court of the United States

**October Term, 1956**

**No. 537**

BILTMORE MUSIC CORPORATION and HERBERT BROWNELL, JR., ATTORNEY GENERAL OF THE UNITED STATES, AS SUCCESSOR TO THE ALIEN PROPERTY CUSTODIAN,

*Appellants,*

BILTMORE MUSIC CORPORATION,

*Petitioner,*

—v.—

ROBERT W. KITTINGER,

*Appellee-Respondent.*

## MOTION FOR LEAVE TO FILE BRIEF AS AN *AMICUS CURIAE* AND BRIEF *AMICUS CURIAE* IN SUPPORT OF PETITION FOR CERTIORARI

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# Supreme Court of the United States

**October Term, 1956**

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*Appellants,*

BILTMORE MUSIC CORPORATION,

*Petitioner,*

—v.—

ROBERT W. KITTINGER,

*Appellee-Respondent.*

---

## MOTION FOR LEAVE TO FILE BRIEF AS *AMICUS CURIAE*

The Authors League of America, Inc. respectfully petitions for leave to file a brief as *Amicus Curiae* in this proceeding.

Counsel for the applicant are familiar with the questions involved in this case, and the scope of their presentation, and believe there is a necessity for additional argument on the points specified hereinafter and in the brief.

One of the principal purposes of the League is to express the views of its more than four thousand members on issues arising under the Copyright Act.

The decision below is of particular concern to those members of The Authors League who compose music and write

lyrics for most of the musical plays performed in the professional theatre because of its effect upon reproduction rights of United States copyright owners who may first license a recording in a foreign country under that nation's copyright; and because of the uncertainty which will prevail in the music publishing industry as to the status of mechanical reproduction rights in the United States in those circumstances, unless and until the issue is resolved by this Court. Too, it is not unlikely that other countries may, reciprocally, permit mechanical reproduction of compositions on which United States copyrights are secured as soon as such works are recorded in the United States, although these compositions have not been licensed for recording in such other countries under their respective copyrights.

Because The Authors League believes that vital interests of its composer-members are involved, it respectfully requests permission to file the within brief *Amicus Curiae.*

Respectfully submitted,

Osmond K. Fraenkel
*Attorney for The Authors League of America, Inc.*

# Supreme Court of the United States

**October Term, 1956**

**No. 537**

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BILTMORE MUSIC CORPORATION and HERBERT BROWNELL, JR., ATTORNEY GENERAL OF THE UNITED STATES, AS SUCCESSOR TO THE ALIEN PROPERTY CUSTODIAN,

*Appellants,*

BILTMORE MUSIC CORPORATION,

*Petitioner,*

—v.—

ROBERT W. KITTINGER,

*Appellee-Respondent.*

---

## BRIEF *AMICUS CURIAE* IN SUPPORT OF PETITION FOR CERTIORARI

The decision of the Court of Appeals is grounded on the proposition that the owners of the United States copyright on "DU KANNST NICHT TREU SEIN" (the Attorney General and his predecessor, a German publisher) forfeited the protection of 17 U. S. C. A. Sec. 1(e) by failing to file a notice of use. This failure, ruled the Court, relieved the composer of the new arrangement, Griffin, of the necessity of obtaining a license to make and record the arrangement distributed by the respondent (App. B, pp. 34-35).

Since a notice of use is required under section 1(e) only after a copyright owner or his licensee records the copyrighted composition, the notice to which the Court of Ap-

peals refers must of necessity relate to the manufacture and sale of records of the song in Germany by a German recording company pursuant to a license granted by the German publisher who had secured a United States copyright (App. B, p. 27). The only domestic recording of the song prior to respondent's was made by R. C. A. without benefit of license by the German publisher (App. B, p. 27), who therefore was not obliged to file a Notice of Use as to it.

Applicant respectfully submits that Section 1(e) does not require that the recording of a musical composition in another country would subject it to the compulsory license provisions of Section 1(e). Only when the composition is licensed by the owner of the United States copyright for recording in the United States would Section 1(e) operate to effect "compulsory" licensing and, consequently, oblige the owner to file Notice of Use.

If Griffen was not free to record the composition following mechanical reproduction in Germany, then respondent could not rely on a license from Griffen, since the latter was not then entitled either to compose or license the recording of an arrangement.

## *ARGUMENT*

### POINT I

**The petition for certiorari should be granted since the exclusive right to prohibit mechanical reproduction in the United States can be surrendered only when the owner of the United States copyright has licensed such reproduction in this country.**

Under the decision of the Court of Appeals, if the owner of a United States copyright on a composition licenses its mechanical recording in another country, he has thereby subjected it to the compulsory license provisions of 17 U. S. C. and is required to file a Notice of Use.

This, even though the recording is made and distributed only in the nation in which the song originated and even though the copyright owner has not recorded or licensed a recording of the composition in the United States (App. B, p. 27).

As petitioner has contended, the decision below conflicts with the reasoning of the Court of Appeals for the Second Circuit in *Heim* v. *Universal Pictures Co.*, 154 Fed. 2d 480, and with the observations as to non-extraterritorial effect of copyright laws and copyrights made respectively by this Court in *Ferris* v. *Frohman*, 223 U. S. 424, 433, and by the Court of Appeals for the Second Circuit in *Capitol Records, Inc.* v. *Mercury Record Corporation*, 221 F. 2d 657, 662.

The interpretation adopted by the Court of Appeals extends the effect of section 1(e) beyond the limits of its language and purpose.

Section 1 of Title 17 (U.S.C.) specifies the exclusive rights granted to the owner of a copyright. Only in subdivision

(e) of the section did Congress restrict the exclusive nature of the grant, by imposing "(as) a condition of extending the copyright control to such mechanical reproductions." The condition being: when the owner has recorded or licensed a recording of his copyrighted composition anyone else may make a similar use on payment of the statutory 2 cent royalty.

The geographical application of Section 1(e) and the "condition" it imposes are not spelled out in the Act. But their limits are plain. Congress obviously did not believe that the rights, including control of mechanical reproduction, which it granted in Section 1 were operative outside of its territorial jurisdiction, nor could it have intended in Section 1 to establish these rights beyond such jurisdiction. Concomitantly, then, the condition which Congress exacted in exchange for the grant of copyright controlling mechanical reproduction, must have equal, but not greater, territorial application.

In his report on the 1909 revision of the Copyright Act (H. R. No. 2222, 60th Congress, 2d Session), Mr. Currier said (p. 9) that the purpose of Section 1(e) was to

> "give to the composer the exclusive right to prohibit the reproduction of his music by mechanical means on the part of anybody if he desired, to secure to him adequate compensation from all reproducers if he did not desire this exclusive right to prohibit and to prevent the establishment of a great trade monopoly."

If this exclusive right of prohibition can only be enforced in the United States under domestic copyright, it seems inconsistent to say that it can be surrendered in any way other than by permitting mechanical reproduction here, pursuant to domestic copyright.

In licensing mechanical reproduction of a composition in Germany, does the proprietor of the U. S. copyright on the work fall within the terms of the "condition of extending copyright control of such mechanical reproduction"—by such action has he (to invert the language of the section) as "owner of a musical copyright * * * used or permitted knowingly acquiesced in the use of the copyrighted work upon the parts of instruments serving to reproduce mechanically the musical work?" We respectfully submit that he has not.

The "copyright control" extended by Section 1(e) is, as we have urged, copyright control within this country. And, for the same reasons, the phrase "owner of a musical copyright" means owner of a United States copyright. (The terms "a copyright" and "the copyright" are used throughout the Act in referring to United States copyright.)

But when the owner of the United States copyright on a composition exercises the right to record or to prevent others from recording the composition in a foreign country, he is not exercising a right granted by Section 1(e), but rather rights granted under the copyright laws of that nation. In licensing mechanical reproduction in a foreign country, he is acting as the owner of the copyright granted by that country—he is not acting as "the owner of a musical copyright," in the sense of the statute, *i.e.*, the owner of the United States copyright, the only capacity to which the relevant provisions of Section 1(e) could have any logical application.

The effects in this country of an individual's acts in his capacity as owner of a foreign copyright should not

differ from those which would result if the foreign copyright on a song were owned by one individual, and the United States copyright by another—a result easily accomplished and commonly occurring. In the latter case, under the Court of Appeals decision, if the individual owning the foreign copyright licensed the first recording of the song in Germany, the owner of the United States copyright would thereupon lose his rights under Section 1(e).

But, to whom would royalties be paid in the United States if compulsory licensing resulted? Section 1(e) provides that royalties shall be paid to "the copyright proprietor"; but it would be difficult under the decision below to determine whether this meant the owner of the United States copyright who had not yet surrendered the right of mechanical reproduction, or the owner of the foreign copyright.

Since our Copyright Act cannot control licensing abroad, the object of Section 1(e) is not accomplished by calling it into play when foreign licensing takes place. A complete monopoly of the right of mechanical reproduction was denied to authors in the Copyright Act of 1909 to avert the danger that by controlling such copyrights one company might "monopolize the business of manufacturing and selling music-producing machines, otherwise free to the world" (H. R. 2222, 60th Congress, 2nd Session, p. 7). That purpose is served when the owner of the United States copyright is prohibited from using it to restrict all but one company from making mechanical reproductions here. It is not served by holding that reproductions licensed under foreign copyrights effect a compulsory license here.

Particularly should this be so since Section 1(e) does not, as a condition of extending protection to foreign authors, require that their nations impose compulsory licensing. The only condition of extending such protection is that the nations involved grant similar protection of musical copyright to our citizens. This is emphasized by Section 9(c) of Title 17 (added by the Act of August 3, 1954, 68 Stat. 1030) which provides that among the sections of the Copyright Act that shall not apply to citizens of other nations signing the universal copyright convention, is "the requirement in Section 1(e) that a foreign state or nation must grant to U. S. citizens mechanical reproduction rights similar to those specified therein * * *."

Since Congress has granted to authors the exclusive right to control their works, imposing only the single restriction in Section 1(e); that restriction should be construed as narrowly, rather than as broadly, as possible.

## CONCLUSION

**We respectfully urge that the Court grant the petition for certiorari.**

Respectfully submitted,

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